

ARMED SERVICES MEMORIAL

FY2021 Adopted Budget

Accounts for revenue and expenditures related to the construction of the Armed Services Memorial.

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|----------------------------|------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Revenues | | | | | |
| Miscellaneous | \$1,600 | \$0 | \$0 | \$0 | 0.0% |
| Bricks | 2,000 | 0 | 2,000 | 2,000 | 100.0% |
| Transfer From General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Total | \$3,600 | \$0 | \$2,000 | \$2,000 | 100.0% |
| Expenditures | | | | | |
| Operating | 470 | 0 | 2,000 | 2,000 | 100.0% |
| Total | \$470 | \$0 | \$2,000 | \$2,000 | 100.0% |

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|--|------------------|-----------------------------|-----------------------------|-----------------------|-------------|
| Fund Balance | | | | | |
| Fund Balance, Beginning of Year | \$14,103 | \$17,233 | \$17,233 | \$0 | 0.0% |
| Revenues | 3,600 | 0 | 2,000 | 2,000 | 100.0% |
| Expenditures | (470) | 0 | (2,000) | (2,000) | 100.0% |
| Fund Balance, End of Year | \$17,233 | \$17,233 | \$17,233 | \$0 | 0.0% |

Mission

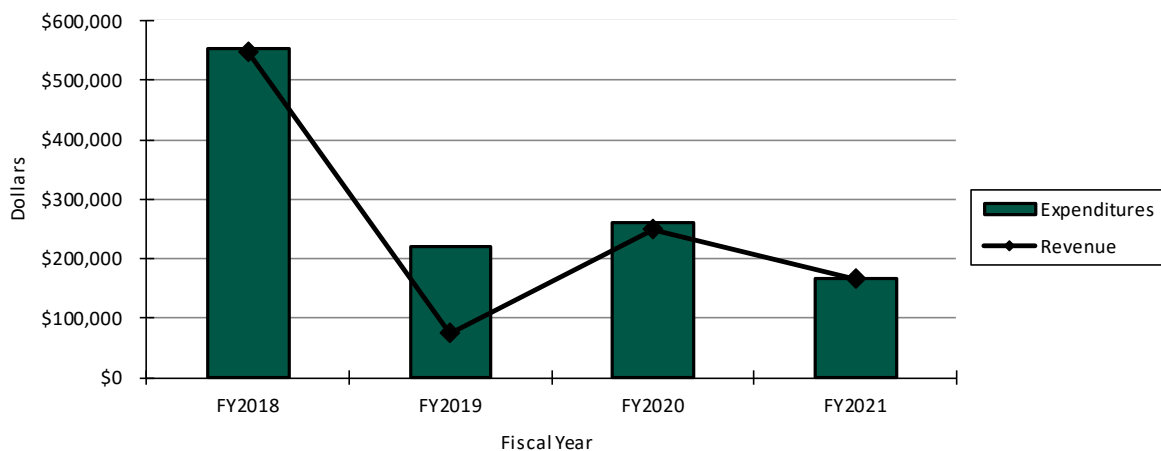
Pursuant to state and federal laws, the Stafford Sheriff's Office participates in forfeited asset sharing programs administered by the U.S. Department of Justice and the Virginia Department of Criminal Justice Services (DCJS). Federal and state law authorizes the civil seizure and forfeiture of assets derived from illegal activities such as narcotics trafficking and violations of alcoholic beverage laws. Forfeited assets and funds are maintained by the County Treasurer and are administered by the Sheriff's Office for law enforcement use.

Who Are We?

The Asset Forfeiture Fund, established in June 2000, is a Governmental special revenue fund. This fund is used to account for the receipt and disbursement of funds received from the forfeiture of assets from drug enforcement activities. After property is seized the circuit court decides whether the property is related to drug activity and will be forfeited to the locality. If the property is forfeited, The Department of Criminal Justice Services (DCJS) divides the funds between the Sheriff's office, the Commonwealth's Attorney's office and DCJS. The forfeited assets can be used for only specified law enforcement purposes as set forth in the Guide to Equitable Sharing and cannot supplant the agency's budgetary costs. Typical approved uses include enforcement efforts, equipment, public awareness, and training.

Budget Summary

| | FY2018 Actual | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|----------------------------------|------------------|--------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Costs | | | | | | |
| Operating | \$67,959 | \$83,867 | \$260,000 | \$166,929 | (\$93,071) | -35.8% |
| Capital | 485,948 | 137,827 | 0 | 0 | 0 | 0.0% |
| Total | 553,907 | 221,694 | 260,000 | 166,929 | (93,071) | -35.8% |
| Revenue | 545,676 | 75,442 | 250,000 | 166,929 | (83,071) | -33.2% |
| Inc/(Dec) to Fund Balance | (\$8,231) | (\$146,252) | (\$10,000) | \$0 | \$10,000 | 0.0% |



Goals/Objectives

- To aggressively pursue and enforce violations of local, state and federal drug laws.
- To actively participate in all available equitable sharing programs.

Revenue/Expenditure/Fund Balance Summary

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|---|------------------|-----------------------------|-----------------------------|-----------------------|--------|
| Revenues | | | | | |
| Sheriff | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Commonwealth's Attorney | 0 | 10,000 | 10,000 | 0 | 0.0% |
| Sub-total use of Prior Year Fund Balance | 0 | 10,000 | 10,000 | 0 | 0.0% |
| Sheriff | 58,330 | 250,000 | 156,929 | (93,071) | -37.2% |
| Commonwealth's Attorney | 17,112 | 0 | 0 | 0 | 0.0% |
| Sub-total Revenue | 75,442 | 250,000 | 156,929 | (93,071) | -37.2% |
| Total | \$75,442 | \$260,000 | \$166,929 | (\$93,071) | -35.8% |
| Expenditures | | | | | |
| Judicial Administration | 13,609 | 10,000 | 10,000 | 0 | 0.0% |
| Public Safety | 70,258 | 250,000 | 156,929 | (93,071) | -37.2% |
| Capital Outlay | 137,827 | 0 | 0 | 0 | 0.0% |
| Total | \$221,694 | \$260,000 | \$166,929 | (\$93,071) | -35.8% |

| | | | | | |
|--|-----------|-----------|-----------|------------|--------|
| Fund Balance, Beginning of Year | \$167,187 | \$20,935 | \$10,935 | (\$10,000) | -47.8% |
| Revenues | 75,442 | 250,000 | 156,929 | (93,071) | -37.2% |
| Expenditures | (221,694) | (260,000) | (166,929) | (93,071) | -35.8% |
| Fund Balance, End of Year | \$20,935 | \$10,935 | \$935 | (\$10,000) | -91.4% |

Expenditures in this fund rely on revenues from prior years because revenue may not be predicted according to the Asset Forfeiture and Money Laundering Guide. This delay in the use of the revenues can result in a change to fund balance of more than 10%.

Mission

The General Capital Projects Fund shall provide funding for the acquisition, design and construction of major County office buildings and facilities, funding of replacement, repair and rehabilitation projects, and fleet replacement for Fire and Rescue ambulances.

Who Are We?

Stafford County voters approved a bond referendum in November 2008 authorizing the issuance of general obligation bonds in the amount of \$70 million to fund road improvements in Stafford County. In November 2009, voters approved the issuance of \$29 million for improvements to parks. Project expenditures related to these bonds are recorded in this fund. A referendum will be required to continue with improvements to parks and roads.

School construction is financed through participation in the semi-annual Virginia Public School Authority (VPSA) pooled bond program. The money gained from borrowings for School construction is recorded in the Capital Improvements Fund and transferred directly to the School Construction fund as it is received.

Other cash or debt-funded expenditures for major capital construction or equipment acquisition are accounted for here as well.

The County acquires funding for certain capital items using a master lease agreement. The agreement was secured using a competitive bid process, and permits borrowing up to the agreed upon amount, and defines the index upon which the rate will be determined at the time of the borrowing.

Goals/Objectives

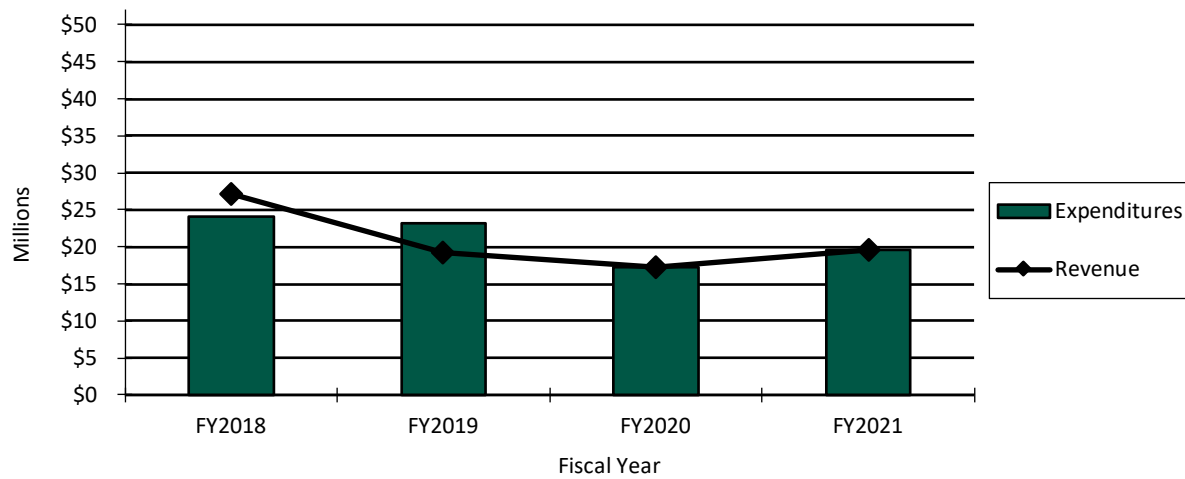
- Comply with the debt limitations outlined in Principles of High Performance Financial Management, as adopted by the Board.
- An amount equivalent to 3.0% of general fund expenditures will be set aside for pay-as-you-go capital projects each fiscal year.
 - During the final development of the FY2021 Adopted Budget, and the projected revenue shortfalls due to the COVID-19 Pandemic, the Board reduced the Financial Policy requirements of 3% of general fund recurring revenue to 2%. Staff was directed to look at all projects and determine if they are essential or non-essential. Department leaders from all departments with projects that were proposed, along with the Chief Financial Officer, the Budget Director and the Sr. Budget Analyst met to review all projects. These departments included: Parks, Recreation and Community Facilities; Fire and Rescue; Sheriff's Department; and Information Technology. This group did not prioritize projects beyond FY2021, as the CIP process will begin again in August for FY2022-31 CIP.

Budget Summary

| | FY2018 Actual | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|----------------------------------|--------------------|----------------------|-----------------------------|-----------------------------|-----------------------|--------------|
| Costs | | | | | | |
| Personnel | \$196,561 | \$139,563 | \$198,267 | \$145,000 | (\$53,267) | -26.9% |
| Operating | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Capital | 23,835,612 | 23,139,717 | 16,998,403 | 19,521,955 | 2,523,552 | 14.8% |
| Total | 24,032,173 | 23,279,280 | 17,196,670 | 19,666,955 | 2,470,285 | 14.4% |
| Revenue | 27,231,212 | 19,161,298 | 17,196,670 | 19,666,955 | 2,470,285 | 14.4% |
| Inc/(Dec) to Fund Balance | \$3,199,039 | (\$4,117,982) | \$0 | \$0 | \$0 | 0.0% |

Funded Positions

| | | | | | | |
|----------------------------|---|---|---|---|---|------|
| Full-Time Positions | 2 | 2 | 2 | 2 | 0 | 0.0% |
|----------------------------|---|---|---|---|---|------|



Notable Changes

Personnel

- Decrease based on projection of project management costs

Capital

- Funding of anticipated VPSA bonds
- Increase in funding for replacement ambulance
- Decrease in funding for pay-as-you-go capital projects due to COVID-19 and projected revenue shortfalls

CAPITAL PROJECTS FUND

FY2021 Adopted Budget

Revenue/Expenditure/Fund Balance Summary

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|---|---------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Revenues | | | | | |
| VPSA Bonds | \$13,404,024 | \$4,565,000 | \$7,091,992 | \$2,526,992 | 55.4% |
| Lease Revenue Proceeds | 2,194,073 | 3,242,185 | 2,657,521 | (584,664) | -18.0% |
| Interest | 233,591 | 192,780 | 145,000 | 0 | 0.0% |
| Other-Miscellaneous | 8,075 | 0 | 0 | 0 | 0.0% |
| Transfer from the General Fund | 3,321,535 | 9,196,705 | 10,823,339 | 1,626,634 | 0.0% |
| Total | \$19,161,298 | \$17,196,670 | \$20,717,852 | \$3,568,962 | 20.8% |
| Expenditures | | | | | |
| Capital Improvement Program General Fund | | | | | |
| Courthouse | \$0 | \$2,600,000 | \$0 | (\$2,600,000) | -100.0% |
| Parking and Initial Start of Downtown Stafford | 0 | 1,800,000 | 0 | (1,800,000) | -100.0% |
| Fire and Rescue Apparatus and Ambulance | 3,222,969 | 2,411,000 | 3,157,000 | 746,000 | 30.9% |
| Fire and Rescue Life Pac | 292,234 | 1,716,000 | 0 | (1,716,000) | -100.0% |
| Community Facilities Equipment | 0 | 78,030 | 0 | (78,030) | -100.0% |
| Repair, Replacement, & Rehabilitation Projects | 1,704,866 | 3,203,373 | 4,959,287 | 1,755,914 | 54.8% |
| Transfer to School Construction | 13,374,618 | 4,565,000 | 11,768,565 | 7,203,565 | 157.8% |
| Transfer to General Fund | 466,431 | 0 | 0 | 0 | 0.0% |
| Animal Shelter | 79,545 | 0 | 0 | 0 | 0.0% |
| Embrey Mill | 3,843 | 0 | 0 | 0 | 0.0% |
| Fire and Rescue Station 14 | 3,250,851 | 0 | 0 | 0 | 0.0% |
| Sub-Total | \$22,395,357 | \$16,373,403 | \$19,884,852 | \$3,511,449 | 21.4% |
| Other Capital Costs | | | | | |
| Personnel | \$96,539 | \$198,267 | \$145,000 | (\$53,267) | -26.9% |
| Computer Software/Equipment | 18,195 | 375,000 | 0 | (375,000) | -100.0% |
| Issue Cost | 81,788 | 0 | 0 | 0 | 0.0% |
| Purchase of Development Rights | 687,401 | 250,000 | 0 | (250,000) | -100.0% |
| Sub-Total | \$883,923 | \$823,267 | \$145,000 | (\$678,267) | -82.4% |
| Total | \$23,279,280 | \$17,196,670 | \$20,029,852 | \$2,833,182 | 16.5% |
| Fund Balance, Beginning of Year | \$12,891,437 | \$8,773,455 | \$8,773,455 | \$0 | 0.0% |
| Revenues | 19,161,298 | 17,196,670 | 20,717,852 | 3,521,182 | 20.5% |
| Expenditures | (23,279,280) | (17,196,670) | (20,029,852) | (2,833,182) | 16.5% |
| Fund Balance, End of Year | \$8,773,455 | \$8,773,455 | \$9,461,455 | \$688,000 | 7.8% |

Mission

Provide quality Fleet Management Services effectively and efficiently while assuring superior customer service.

Who Are We?

The Fleet Services Fund, a proprietary Internal Service Fund, accounting for the financing of transportation services, provided by the Fleet Services, to other departments of the County on a cost recovery basis.

- Provide repair, maintenance and inspection for all County and School vehicles.
- Order, track, and receive all new and used vehicles for all departments.
- Monitor fuel cost, usage and efficiency.
- Provide disposal of all surplus equipment and vehicles.
- Work with our customers developing reports to assist them in their decision making.

Budget Summary

| | FY2018 Actual | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|--------------------------------|------------------|------------------|-----------------------------|-----------------------------|-----------------------|----------|
| Costs | | | | | | |
| Personnel | \$1,749,957 | \$1,765,901 | \$1,904,210 | \$1,809,077 | (\$95,133) | -5.00% |
| Operating | 1,801,081 | 1,863,136 | 2,364,731 | 2,300,386 | (64,345) | -2.72% |
| Capital | 0 | 0 | 20,000 | 891,870 | 871,870 | 4359.35% |
| Total | 3,551,038 | 3,629,037 | 4,288,941 | 5,001,333 | 712,392 | 16.61% |
| Revenue | 3,618,604 | 3,651,300 | 4,288,941 | 5,001,333 | 712,392 | 16.61% |
| Inc/(Dec) to Net Assets | \$67,566 | \$22,263 | \$0 | \$0 | \$0 | 0.00% |

Notable Changes

Personnel

- Director position is split 50/50 between School operating and Fleet.

Goals/Objectives

- Review outsourced work for opportunities to increase control over the quality of work.
- Identify any possible opportunities to bring outsources repairs and maintenance in house and reduce costs.
- Determine operational changes necessary to achieve a one-day improvement in the average turnaround time for monthly vehicle inspections.
- Continue to negotiate with vendors to provide additional training for all technicians.
- Upgrade Team Leaders from PB05 to PB06.
- Add additional cameras and lighting at the fuel island for added security after hours.

Revenue/Expenditure/Fund Balance Summary

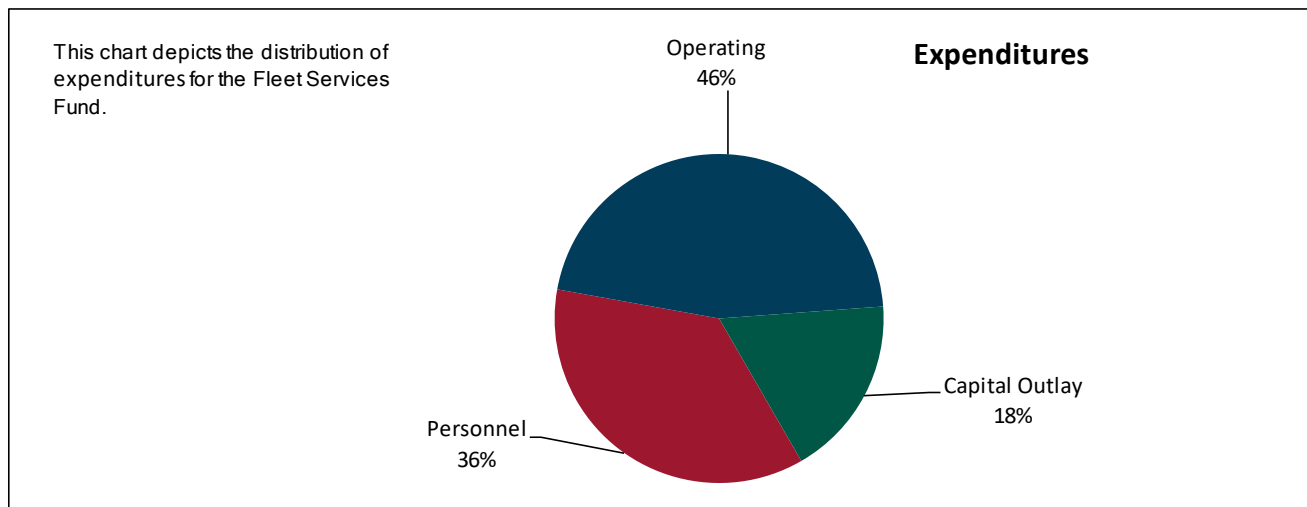
| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|---------------------|--------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Revenues | | | | | |
| School Fund | \$3,051,464 | \$2,961,830 | \$2,954,933 | (\$6,897) | -0.23% |
| Stafford County | 452,973 | 1,227,111 | 1,266,400 | 39,289 | 3.20% |
| Utilities Fund | 134,592 | 0 | 0 | 0 | 0.00% |
| Vehicle Sales/Other | 12,270 | 100,000 | 0 | (100,000) | -100.00% |
| Total | 3,651,300 | 4,288,941 | 4,221,333 | (67,608) | -1.58% |
| Expenditures | | | | | |
| Personnel | \$1,765,901 | \$1,904,210 | \$1,809,077 | (\$95,133) | -5.00% |
| Operating | 1,863,136 | 2,364,731 | 2,300,386 | (64,345) | -2.72% |
| Capital Outlay | 0 | 20,000 | 891,870 | 871,870 | 4359.35% |
| Total | \$3,629,037 | \$4,288,941 | \$5,001,333 | \$712,392 | 16.61% |

Fund Balance

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|----------------|
| Beginning of Year ⁽¹⁾ | \$3,125,064 | \$3,147,327 | \$3,147,327 | \$0 | 0.00% |
| Revenues | 3,651,300 | 4,288,941 | 4,221,333 | (67,608) | -1.58% |
| Expenditures | (3,629,037) | (4,288,941) | (5,001,333) | (712,392) | 16.61% |
| End of Year ⁽¹⁾⁽²⁾ | \$3,147,327 | \$3,147,327 | \$2,367,327 | (\$780,000) | -24.78% |

⁽¹⁾ Fund Balance does not include Other Post Employee Benefit (OPEB) Liability

⁽²⁾ The Fund Balance change of more than 10% is support one-time funding of capital projects



Mission

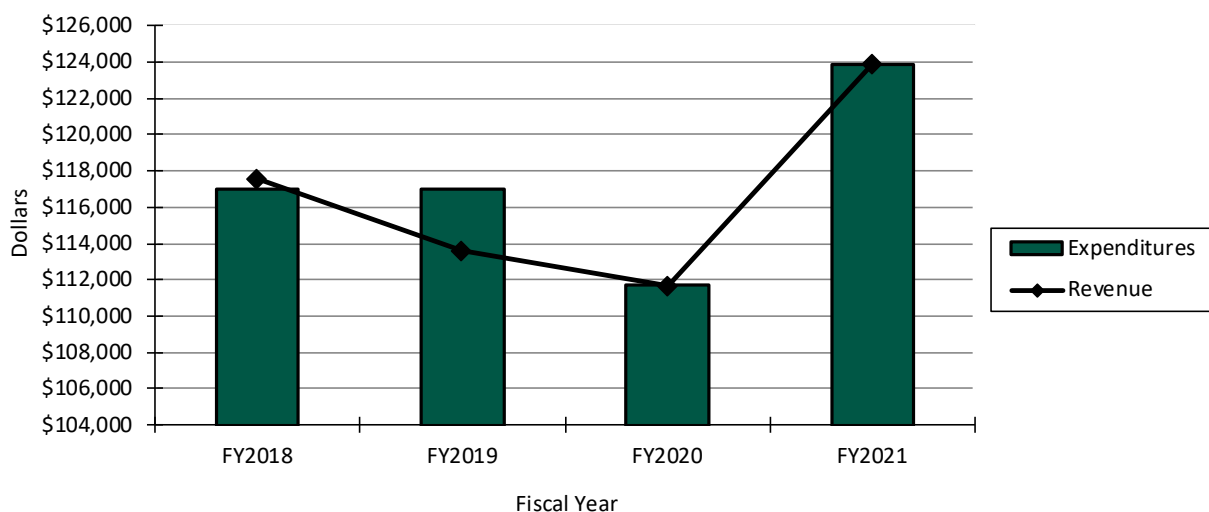
The purpose of the Hidden Lake Subdivision Service District is to provide for dam construction, reconstruction and maintenance; beach and shoreline management and restoration at Hidden Lake; construction, maintenance and general upkeep of the private streets and roads within Hidden Lake Subdivision that are not under the operation and jurisdiction of the Virginia Department of Transportation; and such other services, events or activities which will enhance the use and enjoyment of and the public safety, public convenience and public well-being within the Hidden Lake Subdivision Service District.

Who Are We?

The Hidden Lake Subdivision Service District special revenue fund was established by Ordinance 006-06, adopted on January 3, 2006. It accounts for ad valorem tax receipts from property owners in the Hidden Lake Subdivision to pay debt service and costs for maintenance of the dam and subdivision roads. The 2020 effective tax rate is \$0.347.

Budget Summary

| | FY2018 Actual | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|----------------------------------|------------------|------------------|-----------------------------|-----------------------------|-----------------------|--------------|
| Costs | | | | | | |
| Personnel | \$2,913 | \$1,474 | \$2,080 | \$2,612 | \$532 | 25.6% |
| Maintenance Services | 53,283 | 51,461 | 47,445 | 60,920 | 13,475 | 28.4% |
| Debt Service | 60,801 | 64,051 | 62,175 | 60,350 | (1,825) | -2.9% |
| Total | 116,997 | 116,986 | 111,700 | 123,882 | 12,182 | 10.9% |
| Revenue | 117,575 | 113,644 | 111,700 | 123,882 | 12,182 | 10.9% |
| Inc/(Dec) to Fund Balance | \$578 | (\$3,342) | \$0 | \$0 | \$0 | 0.0% |

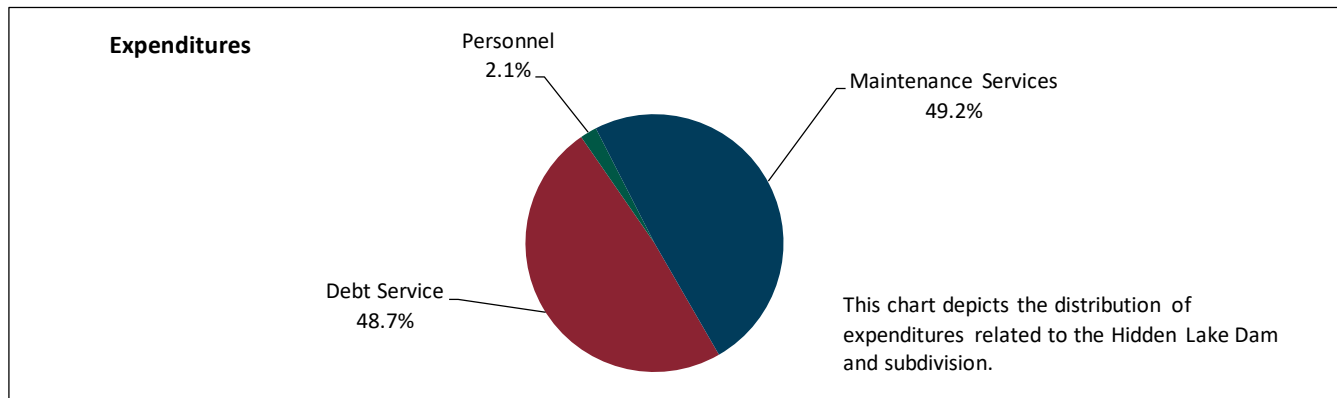


Goals/Objectives

- Provide operation and maintenance of Hidden Lake, Hidden Lake Dam, and private roadways within the neighborhood.
- Ensure compliance with Virginia Dam Safety Regulations to maintain regular Operation and Maintenance Certificate for the Dam from the Virginia Department of Conservation and Recreation.

Revenue/Expenditure/Fund Balance Summary

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|--|------------------|-----------------------------|-----------------------------|-----------------------|--------------|
| Revenues | | | | | |
| Real Property Tax Special Assessment | \$112,474 | \$111,000 | \$122,382 | \$11,382 | 10.3% |
| Interest | 1,170 | 700 | 1,500 | 800 | 114.3% |
| Total | \$113,644 | \$111,700 | \$123,882 | \$12,182 | 10.9% |
| Expenditures | | | | | |
| Debt Service | \$64,051 | \$62,175 | \$60,350 | (\$1,825) | -2.9% |
| Personnel | 1,474 | 2,080 | 2,612 | 532 | 25.6% |
| Maintenance Services | 51,461 | 47,445 | 60,920 | 13,475 | 28.4% |
| Total | \$116,986 | \$111,700 | \$123,882 | \$12,182 | 10.9% |
| Fund Balance, Beginning of Year | \$94,967 | \$91,625 | \$91,625 | \$0 | 0.0% |
| Revenues | 113,644 | 111,700 | 123,882 | 12,182 | 10.9% |
| Expenditures | (116,986) | (111,700) | (123,882) | (12,182) | 10.9% |
| Fund Balance, End of Year | \$91,625 | \$91,625 | \$91,625 | \$0 | 0.0% |



LAKE CARROLL SERVICE DISTRICT FUND

FY2021 Adopted Budget

The following schedule shows activity in the Lake Carroll Service District Fund. The January 1, 2020 tax rate for the service district is 0.26 per \$100 of assessed valuation.

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|--|------------------|-----------------------------|-----------------------------|-----------------------|----------------|
| Revenues | | | | | |
| Property Taxes | \$19,693 | \$13,875 | \$27,605 | \$0 | 99.0% |
| Use of Money & Property | 12,683 | 0 | 0 | 0 | 0.0% |
| Use of Prior Year Fund Balance | 0 | 0 | 745,135 | 745,135 | 100.0% |
| Total | \$32,376 | \$13,875 | \$772,740 | \$758,865 | 5469.3% |
| Expenditures | | | | | |
| County Project Management | 0 | 0 | 35,015 | 35,015 | 100.0% |
| Capital | 15,901 | 0 | 700,304 | 700,304 | 100.0% |
| Transfer to General Fund (Debt Service) ⁽¹⁾ | 11,706 | 13,875 | 37,421 | 23,546 | 169.7% |
| Total | \$27,607 | \$13,875 | \$772,740 | \$758,865 | 5469.3% |

The Lake Carroll Service District was established by Ordinance O17-41 in November 2017. The purpose of the LCSD is to repair, construct, reconstruct, and maintain the Kennedy Dam which impounds Lake Carroll. This fund accounts for ad valorem tax receipts from property owners in the Lake Carroll Service District to repay the Stafford County General Fund for a loan of \$550,000 to make the repairs. On March 5, 2019, the Board of Supervisors approved a second loan for \$237,500 (Resolution 19-59). The loan repayment period was extended to 30 years.

| Fund Balance | FY2019 Actual | FY2020 Revised Projection | FY2021 Adopted Budget | Changes '20 to '21 | |
|---|------------------|---------------------------------|-----------------------------|-----------------------|---------------|
| Fund Balance, Beginning of Year | \$522,641 | \$527,410 | \$767,608 | \$240,198 | 45.5% |
| Revenues | 32,376 | 13,875 | 27,605 | 13,730 | 99.0% |
| Commonwealth of Virginia Grant ⁽²⁾ | 0 | 25,564 | 0 | (25,564) | -100.0% |
| Transfer from General Fund ⁽³⁾ | 0 | 237,500 | 0 | (237,500) | -100.0% |
| Expenditures | (27,607) | (13,875) | (772,740) | (758,865) | 0.0% |
| Prior Year's Commitment ⁽⁴⁾ | 0 | (22,866) | 0 | 22,866 | 0.0% |
| Fund Balance, End of Year | \$527,410 | \$767,608 | \$22,473 | (\$745,135) | -97.1% |

(1) Includes partial debt service payment for FY20 in FY21

(2) Department of Conservation and Recreation grant award.

(3) Additional County Loan of \$237,500 approved on March 5, 2019.

(4) Prior year's commitment includes encumbrances.

LAKE ARROWHEAD SERVICE DISTRICT FUND

FY2021 Adopted Budget

The following schedule shows activity in the Lake Arrowhead Service District Fund. The January 1, 2020 tax rate for the service district is 0.093 per \$100 of assessed valuation.

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|--------------------------------|------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Revenues | | | | | |
| Property Taxes | \$105,363 | \$112,000 | \$112,000 | \$0 | 0.0% |
| Use of Money & Property | 13,973 | 7,511 | 7,500 | (11) | -0.1% |
| Revenue from the Commonwealth | 40,762 | 0 | 0 | 0 | 0.0% |
| Miscellaneous | 71,074 | 0 | 0 | 0 | 0.0% |
| Use of Prior Year Fund Balance | 0 | 0 | 481,611 | 481,611 | 100.0% |
| Total | \$231,172 | \$119,511 | \$601,111 | \$481,600 | 403.0% |
| Expenditures | | | | | |
| County Project Management | 0 | 0 | 25,304 | 25,304 | 100.0% |
| Operating (1) | 0 | 0 | 5,000 | 5,000 | 100.0% |
| Capital (2) | 150 | 53,408 | 506,074 | 452,666 | 847.6% |
| Transfer to General Fund (3) | 60,965 | 66,103 | 64,733 | (1,370) | -2.1% |
| Total | \$61,115 | \$119,511 | \$601,111 | \$481,600 | 403.0% |

The Lake Arrowhead Service District was established by Ordinance O17-01 in February 2017. The purpose of the Service District is to raise funds and use said funds to repair, construct, reconstruct, and maintain the dams within the Lake Arrowhead subdivision. This fund accounts for ad valorem tax receipts from property owners in the Lake Arrowhead Service District. The Lake Arrowhead Service District will repay a loan of \$548,000 over 20 years (through FY 2028) to the Stafford County capital projects reserve.

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|---|------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Fund Balance | | | | | |
| Fund Balance, Beginning of Year | \$449,510 | \$619,567 | \$592,407 | (27,160) | -4.4% |
| | | | | 0 | |
| Revenues | 231,172 | 119,511 | 119,500 | (11) | 0.0% |
| Expenditures | (61,115) | (119,511) | (601,111) | (481,600) | -403.0% |
| Fund Balance, End of Year | \$619,567 | \$619,567 | \$110,796 | (\$508,771) | -82.1% |
| Prior Year Commitment | | (27,160) | | | |
| Maintenance Reserve (4) | | | (55,600) | | 0.0% |
| Unassigned Fund Balance, End of Year | \$619,567 | \$592,407 | \$55,196 | (\$537,211) | -90.7% |

(1) Annual maintenance costs after the completion of the dam renovations are estimated at \$30,000 and will be reflected in the tax rate.

(2) The capital costs include dam renovations and land acquisition.

(3) The transfer to the General Fund is the annual repayment of the loan.

(4) The Maintenance Reserve is set aside to provide funding for more expensive and/or emergency concerns if/when they occur.

LYNHAVEN LANE SERVICE DISTRICT

FY2021 Adopted Budget

The following schedule shows activity in the Lynhaven Lane Service District Fund. The January 1, 2020 tax rate for the service district is 0.155 per \$100 of assessed valuation.

| | FY2019 Actual | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|-------------------------|------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Revenues | | | | | |
| Property Taxes | \$2,750 | \$14,000 | \$5,500 | (\$8,500) | -60.7% |
| Use of Money & Property | 11 | | | | |
| Total | \$2,761 | \$14,000 | \$5,500 | (\$8,500) | -60.7% |
| Expenditures | | | | | |
| Capital | 0 | 14,000 | 5,500 | (8,500) | -60.7% |
| Total | \$0 | \$14,000 | \$5,500 | (\$8,500) | -60.7% |

The Lynhaven Lane Service District was established by Ordinance O18-33 in August 2018. The purpose of the Service District is to improve Lynhaven Lane to be accepted into the Virginia Department of Transportation's Secondary Stem of State Highways.

| | FY2019 Actual | FY2020 Revised Budget (1) | FY2021 Adopted Budget | Changes '20 to '21 | |
|--|------------------|---------------------------------|-----------------------------|-----------------------|-------------|
| Fund Balance | | | | | |
| Fund Balance, Beginning of Year | \$0 | \$2,761 | \$2,761 | \$0 | 0.0% |
| Revenues | 2,761 | 5,500 | 5,500 | 0 | 0.0% |
| Expenditures | 0 | (5,500) | (5,500) | 0 | 0.0% |
| Fund Balance, End of Year | \$2,761 | \$2,761 | \$2,761 | \$0 | 0.0% |

Mission

Administered within the Department of Economic Development & Tourism, the Tourism Program mission is to attract visitors from outside Stafford County. Visits include trips to see historical sites, businesses, events, or other activities. The Stafford Tourism Program focuses on five primary marketing activities and the development of tourism Initiatives. Tourism Initiatives include activities such as focused marketing campaigns, as well as investments in tourism products (places, facilities, programs) that help build community and attract visitors.

Who Are We?

The Tourism Program was established in July 2001. The Tourism Program is funded from the Tourism Fund, a government special revenue fund. This fund is used to account for the receipt and disbursement of the transient occupancy tax. Prior to the establishment of this fund, these revenues were accounted for in the General Fund.

The Code of Virginia limits the transient occupancy tax to five percent, with any excess over two percent to be “designated and spent solely for tourism, marketing of tourism or initiatives that, as determined in consultation with the local tourism industry organizations, attract travelers to the locality and generate tourism revenues in the locality.” In 2001, the County increased the transient occupancy tax rate from two percent to five percent, dedicating the additional revenues to tourism. This revenue source has allowed the County to employ a Tourism Manager to support the growing tourism industry in the County. The Tourism Fund supports the marketing and promotion of Stafford’s many tourism assets and programs and is an integral part of economic development. These assets include the arts, historic attractions, golf, wineries, parks and natural areas which all attract visitors to Stafford. The Tourism Fund is also allocated to tourism infrastructure improvements and to regional tourism, which provides for the area’s tourism marketing.

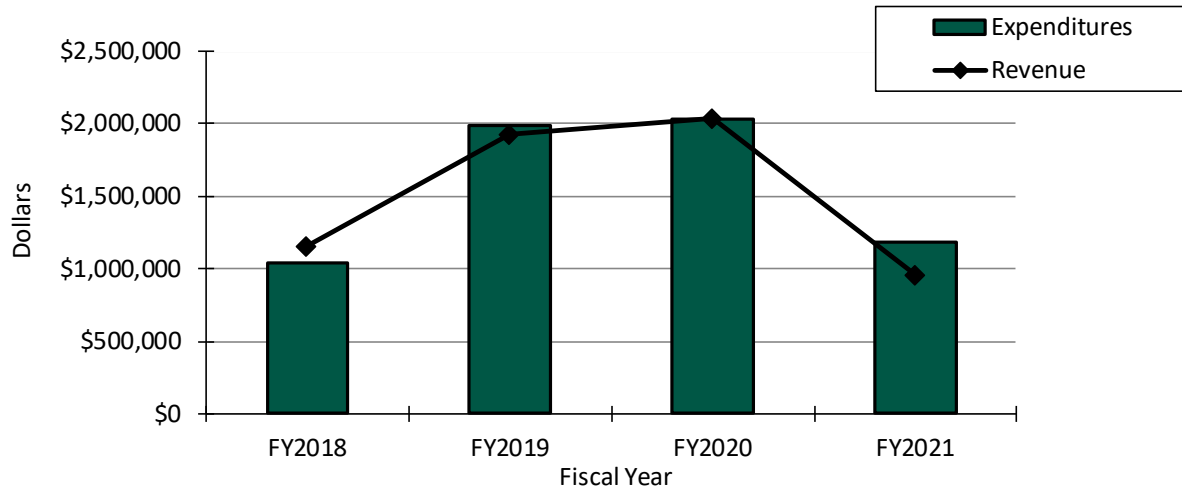
On December 13, 2005, the Board of Supervisors passed Resolution R05-472, which dedicates the entire transient occupancy tax to the Tourism Fund. This resolution directs that two percent of the tax is to be used by the Stafford Museum Board of Directors to develop a charter, raise funds, implement a museum operations plan, and oversee construction and opening of the museum until it becomes self-sufficient. Prior to that time, two percent of transient occupancy tax was used to support County General Fund operations. Beginning in FY2009, in light of continuing declining revenues, the Board of Supervisors approved the transfer of two percent of the transient occupancy tax to the General Fund.

In 2015, the Board approved an *Economic Development Strategy* that stated the need for a “coordinated Tourism Plan.” In May 2018, a new Director of Economic Development & Tourism was hired and has focused on integrating tourism marketing and tourism development into the work of the Department. In 2019 Stafford County Tourism Program Policy that further clarifies the program of the Tourism Program. In November, 2019, the Department outlined its Tourism Plan for fiscal years 2021-2023.

Budget Summary

| | FY2018 Actual | FY2019 Actuals | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|----------------------------------|------------------|-------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Costs | | | | | | |
| Personnel ⁽¹⁾ | \$95,651 | \$195,551 | \$272,510 | \$226,470 | (\$46,040) | -16.9% |
| Operating | 947,586 | 1,007,677 | 938,702 | 568,229 | (370,473) | -39.5% |
| Transfer to General Fund | 0 | 779,223 | 820,808 | 391,819 | (428,989) | -52.3% |
| Total | 1,043,237 | 1,982,451 | 2,032,020 | 1,186,518 | (845,502) | -41.6% |
| Revenue | 1,150,799 | 1,922,955 | 2,032,020 | 959,048 | (1,072,972) | -52.8% |
| Inc/(Dec) to Fund Balance | \$107,562 | (\$59,496) | \$0 | (\$227,470) | (\$227,470) | 0.0% |

⁽¹⁾ A portion of the Economic Development positions are funded by the Tourism Fund.



Notable Changes

Personnel

- 2.0% Health increase
- 2.0% Workers Compensation Increase
- 1.25% Virginia Retirement System
- 0.03% Basic Life Increase
- Funding of positions redistributed from Tourism to Economic Development

Operating

- Termination of marketing contract
- Reduce in events
- Decrease in transfer to General Fund based on projected revenues

Goals/Objectives

- Increase taxable hospitality-related sale by 3% (Service levels 1 and 2)
- Increase visitation to all Stafford attractions by 1% (Service levels 1 and 2)
- Increase Meals Tax by 6% (Service levels 1, 2, and 3)
- Increase Transient Occupancy Tax by 3% (Service levels 1, 2, and 3)

| Service Levels | CY2019 Actual | CY2020 Budget | CY2021 Plan |
|--|--------------------------------|-----------------------------|---------------------|
| 1. Electronic media – (Facebook, Newsletter, Twitter, Instagram, YouTube) | 14,000 | 14,500 | 15,000 |
| 2. Tourism Visitation Annually * | 525,495 | 530,749 | 540,000 |
| 3. Promotional Events Supported | 19 Supported 9 of those new | 12 Supported 1 New event | 20 support 2 new |
| 4. Transient Occupancy Tax | 1,934,848.21 | \$1,963,870.00 | \$2,000,000 |

* (number of occupied rooms x number of people per room) / percentage of visitors that are staying overnight in commercial lodging = total number of visitors

Revenue/Expenditure/Fund Balance Summary

| | FY2019 Actuals | FY2020 Adopted Budget | FY2021 Adopted Budget | Changes '20 to '21 | |
|--|--------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Revenues | | | | | |
| 3% Occupancy Tax | \$1,139,232 | \$1,216,212 | \$572,729 | (\$643,483) | -52.9% |
| 2% Occupancy Tax ⁽¹⁾ | 779,223 | 810,808 | 381,819 | (428,989) | -52.9% |
| Other Revenue | 4,500 | 5,000 | 4,500 | (500) | -10.0% |
| Total | \$1,922,955 | \$2,032,020 | \$959,048 | (\$1,072,972) | -52.8% |
| Expenditures | | | | | |
| Operating | 916,724 | 536,452 | 371,229 | (165,223) | -30.8% |
| Personnel | 195,551 | 272,510 | 226,470 | (46,040) | -16.9% |
| Tourism Programs | 90,953 | 402,250 | 197,000 | (205,250) | -51.0% |
| Transfer to General Fund ^{(1), (2)} | 779,223 | 820,808 | 391,819 | (428,989) | -52.3% |
| Total | \$1,982,451 | \$2,032,020 | \$1,186,518 | (\$845,502) | -41.6% |
| Fund Balance, Beginning of Year | \$1,055,989 | \$996,493 | \$996,493 | \$0 | 0.0% |
| Revenues | 1,922,955 | 2,032,020 | 959,048 | (1,072,972) | -52.8% |
| Expenditures | (1,982,451) | (2,032,020) | (1,186,518) | 845,502 | 41.6% |
| Fund Balance, End of Year | \$996,493 | \$996,493 | \$769,023 | (\$227,470) | -22.8% |
| Fund Balance Allocation | \$996,493 | \$996,493 | \$769,023 | (\$227,470) | -22.8% |
| Committed | 298,100 | 298,100 | 298,100 | 0 | 0.0% |
| Assigned | 698,393 | 698,393 | 470,923 | (227,470) | -32.6% |
| Fund balance, End of Year | \$996,493 | \$996,493 | \$769,023 | (\$227,470) | -22.8% |

⁽¹⁾ Includes 2% Occupancy tax that will be transferred to the General Fund.

⁽²⁾ Includes \$10,000 for Parks and Recreation to support events and activities and will be transferred to the General Fund.

